



SUMMARY OF INITIATIVE 1185

Concerning tax and fee increases imposed by state government.

*This summary has been prepared in response to specific questions about the provisions and effects of Initiative 1185 and is provided for legislative purposes only; it is **not** provided as an expression for or against the ballot measure. Please remember that it is inappropriate to use public resources to support or oppose a ballot measure. Please refer to the 2011 Legislative Ethics Manual or contact Senate Counsel for further guidance on when and how to comment on ballot measures is appropriate.*

BRIEF SUMMARY

This measure would restate the existing statutory requirement that legislative actions raising taxes must be approved by two-thirds legislative majorities or receive voter approval, and that new or increased fees require majority legislative approval.

BACKGROUND

Initiative 601, enacted by the voters in 1993, required a two-thirds vote of both houses of the Legislature for any action that raised state taxes. This supermajority requirement was temporarily suspended by the Legislature from March 2002 through June 2003 and again from April 2005 through June 2006. Initiative 960, enacted in 2007, restated this supermajority vote requirement for tax increases not approved by referendum to the voters. Initiative 960 also required prior legislative approval of any new or increased state fees. In February 2010, the Legislature suspended the two-thirds vote requirement for state tax increases until July 1, 2011, but did not modify the provisions of Initiative 960 regarding prior legislative approval of fee increases. In November 2010, voters approved Initiative 1053, which restated the statutory requirement that any action or combination of actions by the Legislature that raised state taxes must be approved by a two-thirds vote in both houses of the Legislature or approved in a referendum to the people. Initiative 1053 also restated that new or increased state fees must be approved by a majority vote in both houses of the Legislature.

Under the state Constitution, the Legislature cannot repeal a voter-approved initiative within two years of its approval, and can amend such an initiative within that two-year period only with a two-thirds vote of the Legislature (unless the legislative action is submitted to the voters as a referendum).

In July 2011, *League of Education Voters v. State* was filed in King County Superior Court, challenging the constitutionality of Initiative 1053. In May 2012, a Superior Court Judge ruled that the two-thirds vote requirement was unconstitutional because it was inconsistent with the majority vote provisions in the state Constitution. The court concluded that a constitutional amendment, rather than just a statutory change, is necessary to change the majority vote requirements for actions which raise taxes. The case has been appealed to the Washington State Supreme Court, which recently accepted review of the case on an expedited schedule.

SUMMARY OF INITIATIVE 1185

Initiative 1185 would restate the statutory requirement that any action or combination of actions by the Legislature that raises state taxes must be approved by a two-thirds vote in both houses of the Legislature or approved in a referendum to the people. The initiative would also restate the requirement that new or increased state fees must be approved by a majority vote in both houses of the Legislature.

Because of the constitutional limits on legislative modifications of initiatives during the two-year period following voter approval, the effect of Initiative 1185, if passed, the Legislature could not repeal the limitations on tax and fee increases, or amend these limitations without a two-thirds vote of the Legislature, until December 2014.

The legal effect of the statutory two-thirds supermajority in the initiative could be indirectly impacted by the ongoing litigation in *League of Education Voters v. State*.

Fiscal Impact

As required under RCW 29A.72.025, the Office of Financial Management (OFM) must estimate any impact that Initiative 1185 could have on state and local revenues, costs, or expenditures.

For information on assumptions, see the OFM statement of fiscal impacts (given in total dollars only) at the following website: <http://www.ofm.wa.gov/initiatives/default.asp>. (The fiscal impact statements will be available after August 10th).

For further information please contact:

Steve Jones (360) 786-7440

Dianne Criswell (360) 786-7433

Senate Ways & Means Committee

This summary should not be considered legislative history for purposes of interpreting Initiative 1185.